

Notice of Hearing

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1. John Green Consulting, Inc. ("JGCI") is an Illinois registered corporation incorporated in Illinois on March 8, 2006 with a business address of 1229 N. Branch, Chicago, Illinois 60602.
2. John Thomas Sostak ("Sostak") is the President of John Green Consulting, Inc.
3. On or about January 16, 2007, the Illinois Securities Department received an application by John Green Consulting, Inc. signed by Sostak as its President for the registration of a business opportunity in the State of Illinois pursuant to Section 5-30 of the Act.
4. The application contained the following forms and documents: Federal Disclosure and Exhibits required by Illinois Law, IL BSOP Form 5-25, IL BSOP Form B05, John Green Consulting, Inc. current financial statement, a list of the states in which Green Consulting Inc. currently is or has filed and registered the business opportunity, and a check for \$300 payable to the Secretary of State.
5. The business opportunity is described as the sale of Pre-paid Access cards called Njoy that will allow anonymous access to adult entertainment and content on the Internet. The Pre-paid cards are to be sold at various retail locations through vendors who are expected to verify the ages of the person buying the cards.
6. In order for the Njoy Pre-paid Adult Access card to operate properly, JGCI and/or its agents, employees and independent contractors must: 1. negotiate contracts with third party adult web content providers to provide adult content and accept the Pre-paid Access cards as a form of payment, and 2. fund, operate and maintain computer and telecommunications equipment to support, identify, verify, reconcile and encrypt the use of Pre-paid Access cards by the users of the cards and the adult content web providers.
7. On January 31, 2007, the Illinois Securities Department entered a Summary Order denying the Application for Registration of a Business Opportunity by JGCI.
8. On March 7, 2007, JGCI requested a hearing on the Summary Order of Denial.
9. As part of its application, John Green Consulting, Inc. filed an IL BSOP Form 5-25 ("From 5-25"). Item 6 of Form 5-25 requests the following: "With respect to all business opportunities sought to be registered, set forth, in budget form, the total projected financing required by the seller to fulfill the seller's obligations to provide real estate, improvements, equipment, inventory, training and all other items included in the offering. List sources of all required funds, including any proposed loans or contributions to capital;"

10. John Green Consulting, Inc. answered Item 6 of Form 5-25 as follows: "The company has substantial cash reserves on hand available to fully fund all items required to fulfill its obligations."
11. As part of its Registration application, John Green Consulting, Inc. filed a Federal Disclosure and Exhibits required by Illinois Law (Federal Disclosure). Paragraph 28 of the Federal Disclosure titled Risk Factors states: "You should consider the following risk factors before making the decision to invest in this business opportunity, principally, that sales of adult access cards will not generate sufficient revenue to yield a profit. Additionally, the risk of increased costs of access cards in the future could diminish profits, as could competition from other similar products. The success of your business will also depend on your ability to find and negotiate profitable location arrangements, and to regularly refill your displays with access cards for sale. As with any business, your success will depend in large part on your business efforts and acumen. See paragraphs 8 and 9 for more information regarding the business opportunity."
12. Paragraph 28 failed to disclose the following risk factors of the business opportunity:
 - a. That the Njoy Pre-paid Adult Access cards are limited to Adult content providers who are willing to accept the cards for payment.
 - b. That the ability to sell the Njoy Pre-paid Adult Access cards is affected by the number of content providers, the type of content providers, and whether there is a demand for the type of content available from the content providers who accept the card. The above factors are substantially affected by the experience, skills, and ability of John Green Consulting, Inc. to maintain contracts and favorable payment terms with existing content providers and negotiate contracts and favorable payment terms with new content providers.
 - c. There is a risk of future federal and/or state regulation of the access to and dissemination of adult content/pornography via the Internet. Such regulation could affect the number, availability, costs and types of content providers. It might also regulate or eliminate the ability of John Green Consulting, Inc. and/or the purchasers of its business opportunities to sell Pre-paid Adult Access cards or impose more stringent age-verification requirements than currently used by JGCI and its business opportunity purchasers. Federal and/or state regulation could also impose additional business costs and reduce the sale of Pre-paid Adult Access cards resulting in a loss of profitability for the business opportunity.
 - d. That the Njoy Pre-paid Adult Access cards are heavily dependent on John Green Consulting, Inc., and any vendors it may have, being able to operate and maintain sophisticated computer, telecommunications, data and

identification verification, and data encryption equipment to ensure that cards are processed and verified properly, to prevent fraud, and ensure access to the content providers. Equipment malfunctions, natural and man-made disasters, power outages and other unforeseen events could adversely impact the use of the cards and degrade the ability to sell them to new or repeat customers.

- e. Paragraph 10 of the John Green Consulting, Inc. Order Form and Purchase Agreement states: "Buyer shall have the exclusive territory as specified by the Seller. Buyer shall place Njoy displays at merchant locations which are no more than five (5) miles from the boundary of Buyer's exclusive territory. In order to maintain its exclusive territory (but not its other distributorship rights), Buyer shall maintain sales in each calendar quarter equal to at least 25% of those in the Purchase Order." John Green Consulting, Inc. failed to disclose the risk that five (5) miles may not be a large enough area for an exclusive territory and that sales of other Njoy Pre-paid access cards may detrimentally impact sales in the exclusive territory. Additionally, there is the risk that the Buyer may not maintain the minimum amount of sales necessary to maintain the exclusive territory and thus lose their exclusive territory.
- f. That the vendors/register operator at locations where Njoy Pre-paid Adult Access cards are displayed and sold may engage in insufficient, fraudulent, or non-age verification that could result in minors purchasing the cards and viewing adult content. This could result in civil and/or criminal charges against John Green Consulting, Inc. and/or the purchasers of its business opportunity.

13. The seller's literature or advertising is incomplete in that it fails to:

- a. Describe the type of displays to be used;
- b. Define the age requirements to be enforced;
- c. Prescribe methods acceptable for "age verification" by the register operator;
- d. Define the commencement and end of the time periods described on the Order Form and Purchase Agreement as "3 Day," "7 Day" and "30 Day" cards; and
- e. Disclose that the Njoy Pre-paid Adult Access cards are limited to adult content providers who have entered into agreements with Njoy or JGCI.

14. That from on or about November 2006 to the present, John Green Consulting, Inc. has been advertising the availability of the Njoy Adult Pre-paid Card Business Opportunity on the Internet at the address: www.njoyallaccess.com. As part of the web advertising, John Green Consulting, Inc has been representing to buyers and potential buyers that JGC, Inc. is a corporation when in fact it is not.
15. That from on or about November 2006 to the present, John Green Consulting, Inc has been offering for sale business opportunities in or from Illinois without registration in Illinois.
16. That Section 5-5.20 of the Act defines "Offer" or "offer to sell" as every attempt to dispose of a business opportunity for value or solicitation of an offer to purchase a business opportunity.
17. That Section 5-45 (a) (1), (2), (5), (6) and (8) provide the basis for a denial of the applicant's business opportunity application.
18. That Section 5-95 prohibits sellers of business opportunities from failing to disclose material information, making misleading statements, selling unregistered business opportunities or failing to file requested documents or information with the Secretary of State.
19. That Section 5-65 of the Act provides authority to the Secretary of State to deny an application, prohibit the sales of business opportunities, impose a fine of up to \$10,000 per violation and other remedies as authorized by the Act.

You are further notified that you are required pursuant to Section 130.1104 of the Rules and Regulations (14 Ill. Adm. Code 130) (the "Rules"), to file an answer to the allegations outlined above or a Special Appearance pursuant to Section 130.1107 of the Rules, or other responsive pleading within thirty days of the receipt of this notice. Your failure to do so within the prescribed time shall be deemed an admission of the allegations contained in the Notice of Hearing and waives your right to a hearing.

Furthermore, you may be represented by legal counsel; may present evidence; may cross-examine witnesses and otherwise participate. A failure to so appear shall constitute default.

A copy of the Rules, promulgated under the Act and pertaining to Hearings held by the Office of the Secretary of State, Securities Department, is available at the Department's web page.

Delivery of notice to the designated representative of any Respondent constitutes service upon such Respondents.

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Dated this 20th day of March, 2007.

A handwritten signature in black ink that reads "Jesse White". The signature is written in a cursive style and is positioned above a horizontal line.

Jesse White
Secretary of State
State of Illinois

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